



DEFERRED COMPENSATION ADVISORY COMMITTEE

MINUTES

Thursday, March 27, 2008

For information about this meeting, contact the Deferred Compensation Program Office at 408-975-1465 or email cheryl.boston@sanjoseca.gov

Chair Pascal Roubineau called the Deferred Compensation Advisory Committee meeting to order at 9:05 a.m. on Thursday, March 27, 2008, City Hall, Wing, W-118

Roll Call

Pascal Roubineau, Chair
Peter Jensen, Vice Chair
Julia Cooper
Trish Glassey
Mark Skeen
Conrad Taylor

Employees' Representative
City Manager's Representative
City Manager's Representative
Employees' Representative
Firefighter Representative
Police Representative

Donna Busse (Phone)

Management Employees' Representative

Also Present

Susan Devencenzi
Cheryl Boston
Adora Gailo
Bill Tugaw
Gary Bozin
Peter Belardinelli
Bill Thomas

Attorney
Human Resources, Deferred Compensation Staff
Finance
Consultant, SST Benefits
ING
ING
Federated Retiree

9:00 – 11:00 A.M.

March 27, 2008

City Hall, Wing W118

APPROVAL OF MINUTES

1. M.S.C. (Jensen/Glassey) to approve minutes for the February 28, 2008 meeting.

OLD BUSINESS

2. Discuss needs, topics, dates for DCAC Retreat
Committee will consider a retreat in November 2008, after attending the NAGDCA conference in September 2008.
3. Accept the Deferred Compensation Financial Report for the Second Quarter FY 07-08
Adora Gailo reviewed the second quarter financial report.



M.S.C. (Jensen/Glassey) to accept the Deferred Compensation Financial Report for the Second Quarter FY 07-08.

4. Approval of Investment Advisory Services Agreement with Morningstar to implement investment advisory services for Plan participants

Susan Devencenzi explained that this was the final piece in the advisory services agreements to implement the Morningstar Managed Accounts. Morningstar agreed to delete the mandatory arbitration provision as we requested.

M.S.C. (Jensen/Glassey) to approve Investment Advisory Services Agreement with Morningstar to implement investment advisory services for Plan participants.

NEW BUSINESS

5. Presentation of Commendation to Susan Devencenzi

M.S.C. (Jensen/Busse) that Susan is the greatest counsel a group of trustees could ever hope for!

6. Warranty of Fiduciaries of the Sponsored Plan

Chair Roubineau formally asked each committee member and Bill Tugaw to respond as to whether they knew of any fiduciary breaches. Counsel Devencenzi clarified that this was for the Fiduciary Liability Insurance. Each responded that they did not know of any Fiduciary breaches.

7. Approval of Synopsis of Fiduciary Training held on February 4, 2008 and Follow Up Discussion

Vice Chair Jensen raised the issue that member attendance impacted the Committee as a whole. Counsel Devencenzi explained that the Committee had adopted a provision in their Rules of Order which states if member is absent three times in a 12 month period, unless excused by the Committee, it creates a vacancy in the position. The Municipal Code considers excused absences as illness of the member, illness of a family member, death in the family, absence due to commission business or City business.

Chair Roubineau summarized that the bylaws should be amended to reflect the following; members are to notify the committee of anticipated absences, conduct a good-faith review by listening to the taped recording of the missed meeting, review all documentation and send an email to staff once completed. Staff is to add an agenda item to the next Committee meeting for Committee review and approval of member's absence.

M.S.C. (Jensen/Glassey) approval of Synopsis with corrections to the designation titles for Matt Loesch as Trustee and Bill Thomas as Vice Chair in attendance list; correction to the first line of page two of the fiduciary responsibility to 'This topic defined who fiduciaries are with regard to retirement plans...'; authority to staff to review the consulting contract with SST Consulting and if necessary to amend it to expressly define them as a fiduciary; direction to staff on page three to provide Committee members with plan documents and to update them as necessary in the future; and direction to staff to prepare for the Committee's review an amendment to its bylaws define the steps that are necessary regarding excused absences per our discussion.

8. Nominate and Selection of Chair and Vice Chair for Period 04/01/08 – 03/31/09

M.S.C. (Busse/Jensen) to elect Pascal Roubineau as Chair of the Deferred Compensation Committee for the Period 04/01/08 – 03/31/09

M.S.C. (Roubineau/Glassey) to elect Peter Jensen as Vice Chair of the Deferred Compensation Committee for the Period 04/01/08 – 03/31/09

9. 2007 Annual ING Plan Review

Gary Bozin provided an overview of the City of San José's ING's 2007 Plan

10. ING Communications and Financial Seminars

SUBCOMMITTEE REPORTS/RECOMMENDATIONS

11. Legislative Activities

Bill Tugaw provided an update on legislative items and a participant mailing targeted at retirees to help educate them on the impact of fees and rolling funds from the City 457 plan into IRA accounts which may have higher fees.

INFORMATIONAL ITEMS

12. Granicus Budget Update

Deferred Compensation will be able to leverage the City of San José's contract. Templates and agenda pages have been created. The only anticipated costs for the next two years may be \$2,000.00 to train staff on the use of the tool.

13. FY 2008-2009 Budget Memo Correction

Typo noted on page two of the FY 08-09 Budget Memo in the Non-Personal component was corrected; the February memo reflected \$62,780, the correction reads \$72,780. This does not impact the budget that was approved during the February meeting.



14. DCAC Secretary Designee Jeanne Groen replaces Arlene Gibbs
Secretary is designated by the HR Director.
15. ING Service Logs for January and February 2008
16. January and February 2008 Fund Performance Summary
17. Next Meeting: April 24, 2008, City Hall, Tower, T-1254, 9:00 a.m.

PUBLIC COMMENTS

None

UNFORESEEABLE EMERGENCY WITHDRAWAL

18. None

ADJOURNMENT

M.S.C. (Taylor/Glassey) to adjourn meeting.

Pascal Roubineau, Chair
Deferred Compensation Committee

ATTEST:

Jeanne Groen, Staff
Deferred Compensation

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.